GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:6459
ANSWERED ON:08.05.2000
SAVINGS SCHEMES IN POST OFFICES
GEORGE EDEN

Will the Minister of COMMUNICATIONS be pleased to state:

a. The total annual collections in the post office savings schemes during the last three years. b. Whether there is decrease in the post office savings due to recent lowering in the interest rate; c. If so, the details thereof. d. The steps taken /proposed to be taken by the Government to attract people to deposit more amount in the post office saving schemes?

Answer

MINISTER OF STATE FOR COMMUNICATIONS

(SHRI TAPAN SIKDAR)

a. The total annual collections in the Post Office Savings Schemes during the last three years are given below: -

Year	Amount (Rs. in thousand)
1996-97	33,84,26,788
1997-98	46,83,91,371
1998-99	55,84,43,579

b. No, Sir.

c. Does not arise in view of (b) above.

d. Following important features are available with post office savings schemes to attract people to deposit more amount in the post office savings schemes.

(i) The interest payable in different savings schemes in the post office is higher than comparable schemes available in the banks.

(ii) Interest earned in Post office Savings Account is completely tax free.

(iii) Deposits made in National Savings Certificates (VIII issue) qualify for tax rebate under sec.88 of I.T. Act.

(iv) Interest earned in 5-Year Post Office Recurring Deposit Account is exempt under Sec. 80-L of I.T.act.

(V) Deposits in Post Office Time Deposits are exempted under Section 5(1)pf Wealth Tax Act and Interest exempt from tax under Section 80-L of I.T.Act.

(vi) Deposits in 15 year Public Provident Fund Account qualify for IncomeTax rebate under Section 88 of I.T.Act. These deposits are completely exempted from Wealth Tax. Also interest is completely tax free and no attachment under court decree is allowed.

(vii) Interest earned in the deposits in Post Office Monthly Income Scheme is exempt under Sec. 80-L of I.T. Act.

(viii) The amount deposited in a year in National Savings Scheme Account1992 qualifies for rebate under Sec. 88 of I.T. Act. The interest is exempt under Sec. 80-l of I.T.Act.

(ix) In Kishan Vikas Patra an adult can invest money for himself or on behalf of a minor or to a minor.